

Tape 13  
Side A, 0- 1/16

18 MAY 1978

STATINTL

MEMORANDUM FOR:

FROM:

DCI

I told Dr. Fubini at the dinner Wednesday night that I'd like to get together with him the week after next. Will you try to set up a 30-minute meeting.

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*Copies to addressees, 18 May 78*

DCI ADDRESS TO THE DEFENSE SCIENCE BOARD

16 May 1978

Thanks Dr. Fubini. Despite all that education, I clearly haven't the good common sense to turn down an invitation to talk to a group as well versed in defense matters as this one on defense related subjects. As hazardous as it is, what I thought I could best do, since you know more about these subjects than I, is talk to you a little about prospects as I see them for the evolution of the intelligence community today and what I see as some of my primary desires and problems; because clearly we are in a moment of transition and change in the world of intelligence in this country. Coming out, of course, of the three and a half years now of intense public scrutiny and criticism--and I really mean coming out--I can feel that the tide is turning on Capitol Hill. I feel more receptivity from the public and understanding that there has got to be some balance between secrecy and openness; some balance between restriction on intelligence and adequate flow of information for our decision makers. As all of you recognize and are well aware, on January 24th the President put his seal on this transition process that we're moving towards today, in his new Executive Order. The Executive Order has a number of important features that I think are different.

One is the establishment under the National Security Council of a high level committee to establish priorities for the intelligence community: the Secretary of State, Secretary of Defense, National Security Council Advisor, myself, and the Vice President; all the people who are the consumers of intelligence, because it is not we that should set what those priorities are. If--I know this has been attempted

in other forms before--if we can make this work, if we can just about produce an initial list of intelligence priorities a little different than it has been done before, we hope it will be a useful guide. Engaging these policy makers I think is a very important step in making this section of the Executive Order function.

Another mandate in the order is to establish a National Intelligence Tasking Center to task the collection agencies of the community, and that we are in the process of doing at this time. You probably know also the order specifically directed that those collection agencies that are operated by the Department of Defense will remain under the management and direction of the Department of Defense. Their tasking, their day-to-day operations, will be directed by the tasking center, but what they will do is under the operating control of the Secretary of Defense. The order also mandated a new budgeting process in which the Director of Central Intelligence has control and exclusive authority to develop the national foreign intelligence budget, present it to the President, and defend it before the Congress. We are revamping what has been known as the Intelligence Community Staff to be called the Deputy to the DCI for Resource Management, expanded its staff slightly in order to take full charge of the development of the budget.

Another section of the Executive Order established certain restrictions on how we go about doing our intelligence work, most particularly in respect to preservation of the rights of American citizens. Today we are very much engaged in implementing this Executive Order and we are also, on the other hand, engaged in a dialogue with the Congress in translating at least portions of the Executive Order into legislative charters. I was just saying to Gene at dinner, I anticipate it will take

a year or a year and a half to work this out with the Congress; there are great hazards here if they become too restrictive. I don't think that is likely to happen, but it's going to be a delicate and an important, a very important negotiation, for the community. It will give us our authorities, perhaps some helpful additional authorities and, as I was saying at dinner, perhaps some way to prevent leaks of security information. It will also give us instructions for trying to find the right balance there. I think we are working on it and working on it well.

The major thrust, in my view, of these changes that are coming about in the Executive Order and in the Charters, is to strengthen the cooperative relationship within the Intelligence Community. I would like, very briefly, to discuss with you six areas both of cooperation inside the Intelligence Community and cooperation between the community itself and the outside world, that I feel warrant particular stress under these new directions that we are going. To start with, one that is close to many of you is the outside relationship between the community as a whole and the world of academia. It is a historic, fine and helpful relationship that can be done on both sides without injury to either one's prestige or reputation. Obviously, as you well know, the National Foreign Assessment Center of the CIA, DIA, Bureau of Intelligence and Research are nothing but academic type research organizations. They need vitally the outside stimulus of criticism, of critique, of supervision from the academic community. People who will come in and question the hypotheses and give them new ideas and new blood from time-to-time. This kind of thing is so uniquely available in the academic community that we must nurture and restore the somewhat frayed relationship that has developed

in that direction. I am trying that. Bay Long was good enough one night to come to a presentation I made on the Stanford campus. I have been on eight other campuses. We are participating much more in academic symposia, we are making more presentations with our analysts. We are trying to develop those connections because one group of college presidents has come to our campus and spent the day with us. I have another group coming in June and we are working as best we can in a proper way with those universities who are developing guidelines for the relationship between their campuses and the Intelligence Community. We are upset at the Harvard guidelines, frankly, which single us out as a pariah and treat us as nobody from Boston really should; single out one sector of our society. They have too much history to know that they shouldn't do that up there, but they have. We hope that will not spread to other campuses. We want the relationship to be quite proper and we are going to do everything we can to assure them of that, but we don't think that we should be singled out as different from a relationship with a major corporation or another agency of government.

The second relationship between the community and the outside world which is of increasing importance to us, is that with the business community. It too is a long, healthy, very worthwhile relationship in both directions. It too has been frayed by some of the recent criticism and publicity. We want today to rebuild that as best we can. In the past it has largely been a flow from business to intelligence, providing very helpful information which they pick up in their international endeavors. We're trying to give it a new twist today and make it a reverse flow also; in making more information that we have available to the business community; declassifying more studies where we can, where we think they'll be of value to the public and particularly to business. I think we can declassify

more and yet preserve the necessary elements of secrecy that you and I all know we have got to have. We are seeking out business leaders' suggestions on what kinds of things they would like to know more about. Obviously we can't be tasked by business, we can't be their research departments, we're working for the government. But if we understand better what business is interested in, we can better understand where to see if our efforts can be declassified and made available. We are working with the Department of Commerce, we're working with the Library of Congress, to make our product more available in an easier way. It's there today, that we are trying to find ways to let people know in a simpler manner what is available from our unclassified production and how they go about getting it. We hope this will give everyone a sense of greater return on his tax dollar. In turn, we're very, very anxious to nurture this relationship where we get information from the business community. After all, why should we afford the risk and the expense of going overseas to collect information in delicate and difficult ways when a lot of it is available right here within our own country. Business has so many international interests today, so many businessmen traveling, so many offices in far flung areas. I think of where I lived last, overseas in Italy. I would guess a good American business firm with an office in Milan would probably have a lot better feel for what was going on in that country than the embassy did down in Rome because the country is run from Milan.

Inside the community there are four relationships I'd like to strengthen. The first is between the FBI, the military services, and the CIA in the field of counterintelligence. Not many weeks go by that I don't see some example of past lack of adequate cooperation in this area,

jurisdictional rivalry, lack of passage of information between people. And yet today, in my view, the threat of espionage against us is probably greater than it has been in many years. Detente is a good thing. It has a lot of advantages; but from the espionage point of view, I think it leaves us at a net disadvantage. That is, there are so many more opportunities today for communists to come and make contact in an open society with our people who are naturally open and friendly and to take advantage of our society. In addition, you must strengthen this counterintelligence communication and cooperation throughout the intelligence community because, on the one hand, you have got to be able to pass the action back and forth. You know the FBI only operates in the States, the CIA overseas; so clearly you have got to have a hand off here when the action shifts; you've got to have been aware of each others problems, each others cases, well ahead of time or you are going to fumble in the process. In addition, I think it is particularly important in counterintelligence that you have an outside check dealing with the validity of agents, double-agents. You can't trust the people who recruit them to be the most objective people in deciding whether they are really bona fide or not.

So, I'm pushing for a greater interchange so that we get an FBI view on what we are doing in the CIA in counterintelligence and they give us a view, the same as the military counterintelligence people. I had very good relations with Clarence Kelley. I am absolutely delighted with my Amherst classmate, Bill Webster. I think that provides the foundation on which both he and I are intent on building because we were not only classmates, we have remained in contact and have been good friends over these 30-some years since we went to Amherst together. I think this is

one of the areas of my greatest concentration and concern today. The chief of counterintelligence at the Central Intelligence Agency is retiring--voluntarily. I have picked the strongest man with the best reputation in the Agency to replace him; a man I had to pull from a very key job he is presently in, in order to do that. It is an area that does need it for the good of our country.

Secondly, I think we need more coordination today inside the community between our various collection systems. We must integrate our collection effort better. First, because it is expensive and risky; and second because I firmly believe that only by dove-tailing these efforts are we likely to get all the available clues that can be had. You are well aware that the totals we are trying to piece together today really demand that we have every piece that we can possibly garner. There is too much of a record, I think, of independent cowboys in intelligence collection--people who think SIGINT can do it all, not you, but people of your old agency string. There are too many people in the CIA who think HUMINT can do it all; I mean, you can get all the pieces by good human penetration. Too many people of the latter days feel that photographs are all you need to do it. Clearly, you want the photograph to tell you they are putting some forces on the border, you turn the SIGINT people loose and find out whether it's an exercise or a warm-up for invasion, and you turn the human intelligence fellow loose then to try to tell you what the access routes are they are going to take it it is an invasion. Or, one day you get a new SIGINT signal. You don't know what it is, you don't recognize it. You get a picture taken of the facility and then that tells you whether your human agent should be targeted in the nuclear department of the country, weapons department, or wherever it is. You have got to



pull that together. Well, I can assure you that in my short time in this job, I have seen a number of instances in which we simply do not have a mechanism for doing that. And we have wasted resources, we have fallen on our faces, and we have not produced the results that we should. I was kidded about one of my shortcomings in that regard by the Vice President not longer ago than yesterday. The subject never happens to pass by that I don't get ribbed because we have failed in a couple of instances to pull things together properly. We failed to have a mechanism to trade off between the feeding systems that will collect the information; we failed to have a mechanism to coordinate the complementarity of different systems. Today when an analyst or a unified and specified commander wants some specific information, what does he do? Basically, his best recourse is to go to the collection agency he thinks will do it for him. But he maybe only understands SIGINT, or HUMINT, or photographs. He forgets to go to the other ones, or he only goes to one of the number of agencies in each of those categories that can do it for him. And what we are hoping is that the new National Intelligence Tasking Center will be the focal point for bringing this all together, for giving a one-stop opportunity for the analyst or commander to come and say, this is what I want at the end of the pipeline, you tell me how to get it and you get the right proportion of HUMINT, SIGINT, and imagery to do it and you decide which of the various SIGINT agencies is best appropriate for this particular need.

Now here I have been talking entirely about national intelligence. A third area I think needs attention for increased cooperation today is the interface between what is known as national and tactical intelligence. I understand there are some opinions on that in the room. I don't think

there is reason for the degree of rivalry that exists today between national and tactical systems, so-called. National systems, as I define them, are simply those that are funded by the National Foreign Intelligence Budget, by an arbitrary decision, or arbitrary selection. The problem I see is that too many people focus on who is going to control the system rather than what they should be focusing on which is how can the service best be provided, to whom, and where. I would confess to you that the reason people focus on control is that we military commanders have an old atavistic feeling that we must have under our direct control all of the elements necessary for battle. And we in the Navy are the worst. Why? Because a couple of hundred years ago when the captain set to sea in a sailing ship, if he didn't have it in the hold, he wasn't going to have it there when he went to battle. And it is still with us. As a sideline I might say it's unfortunately not with us enough in the Navy on account of the COD coming out every day. We don't think of what has to go in the hold before we sail. But that, seriously, makes me want to say that military commanders in the COD aircraft -- those airplanes that bring things out to aircraft carriers and then they go by helicopter to all the other ships, so you have a supermarket at sea in effect. It makes people not think too much and they get very dependent on this. But it's an example of the fact that military commanders today recognize they do not control many of the elements necessary for battle; don't control their COD really; don't control much of the logistics. They are going to come to control much less of their communications as people become more and more dependent on satellites, not only for long-haul but short-haul communications. Clearly, they don't control their most powerful weapons.

They don't, in most instances, even control their military support very directly. So too, the military commanders are going to have to learn that they won't control personally all their elements of intelligence collection. Some they will, others will be nationally controlled. I think it's time that we stop trying to cut a fine line between the two and concentrate on how we cross-share in both directions, because there is very little tactical intelligence information, if any, that may not at some point in time be of key interest to the top national decision makers. And there is not too much of interest to the national decision makers that isn't also of some interest to at least the more senior tactical commanders. So we have got to get the flow going in both directions.

Currently, I'm putting more of my attention on how to get field commanders to have a better sense and appreciation of what is available to them on the national assets. I'm trying to find ways to let the field commanders task the national assets directly. I'm trying to find what the solution is to how a tactical commander, if he does get a direct pipeline from a national asset, can absorb it. How can he have the processing, the data storage and retrieval out there in the field if necessary, and can we afford it. I don't know the answer. It is difficult but we have got to keep pushing on it. We are behind the power curve on this one. What we need to do is concentrate on how we get the service in both directions; the national information down to the tactical commanders. I think we can solve the problem of how we ensure that the tactical intelligence collected will rapidly, in good form, be available to the national commander.

Finally, I'm looking for more cooperation in the competing field of analysis. We must economize and be efficient in the collection field.

We must overlap in efficiency and competition in the analytic field. We must have a DIA, we must have an INR in the State Department, we must have a National Foreign Assessment Center in the CIA -- all doing somewhat the same thing. State emphasizing political, somewhat economic; DIA deciding military and some on political; and CIA handling all three because we must have these different views. I don't believe we have really developed the mechanisms to ensure that decision makers don't get a single answer, don't get a single opinion; but get those diversions, dissenting views that have relevance, and yet not just give the decision maker such a potpourri that he can take any choice he wants, or the one he is pre-inclined to, because you have not given him a sense of direction. The question is how you get analysts to stop trying to produce clear cut opinions and instead try to explicate the problem and let the decision maker know what the variables are that are controlling. And it's not easy to do because people are obviously gun shy in the intelligence world, of being accused of putting our oracle statements and they would like to be precise, they would like to feel they are being helpful, they would like to feel they are influencing events. That isn't their job. We've got to work more on how to get assurance that dissenting opinions do come forward and yet we have a reasonably crisp intelligence product.

One step that I have insisted upon is to do away with footnotes as much as possible. We don't have footnotes in National Intelligence Estimates anymore if I can avoid it. I insist that if it is a good dissenting opinion, it goes right up there in the text. The reason for that is that the man writing the majority opinion must also, with help from the dissenter, write the minority opinion. They must be written

from the same assignee, from the same terms, so the decision maker reading it can in fact compare. The footnote is always written on a different set of assumptions and is not really comparable to the reader. So these are just a hand full of directions that I feel are exciting, which I feel are moving us in an important new direction. I think the next couple of years are going to be very determinative, if we do bring the community together somewhat more, not creating as the newspapers sometimes accuse me of wanting -- a czar of intelligence -- but having the right amount of competition, the right amount of overlap, but lots of cooperation.

In closing I would say I feel it's like the two bulls walking down the road; one was an old bull and one was a young bull. They came across a field of heifers. The young bull said to the old bull, "Hey, let's run over there and get those heifers." The old bull looked at him and said, "Let's walk and get 'em all." I hope the walk can bring the community together in a cooperative way in the next couple of years. It can't be done overnight. It has got to be done in a gradual walking process and that is what we are trying to do.

Thank you.

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DEFENSE SCIENCE BOARD

Fort McNair Officers Club  
1900 - Wednesday, 17 May 1978

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Hazardous talk on Defense-related matters to this group -

Where going -

As DCI

Period of Change -

1. Coming out period scrutiny - Difficult - how/morale
2. E.O. 12036 - Mandated changes:
  - ° PRC(I) - Priorities
  - ° NITC - Centralize tasking -  
Defense operated collection agencies day-to-day DOD
  - ° Central Budgeting - RMS
  - ° Restrictions
3. Charter legislation - prognosis

Major thrust EO/Charters

Strengthening cooperative relationships within IC

Discuss 6 areas in and out of IC - stress cooperation

Two between IC and outside world

(1) IC and Academic Community

- natural and necessary

- ° NFAC, DIA, INR - academic operation
- ° stimulation from outside - question comfortable hypotheses
- ° contribution to academic world -  
insights not elsewhere available.

- working hard to restore and build this relationship - frayed

- On campus talking
- Guidelines - working to keep from being unfairly restrictive
- Participation in conferences, symposia - presented papers
- College Presidents

(2) IC and Business Community

- Long, excellent relationship with business - frayed - want to continue
- New twist - want to share more
  - Openness policy
  - Declassify studies
  - Have sought business leaders' suggestions on areas of their interest
    - can't work for them but
    - can ensure government work made available if unclass.
    - working Commerce; therefore give more return on tax dollar
- In turn open and strong relationship with business gives IC very high return
  - Why risk agents overseas, expensive technical systems if info available here? So much internat. business



- ° Relationship strong - getting even stronger

Four inside IC

(1) FBI - Mil Svcs - CIA - teamwork on CI

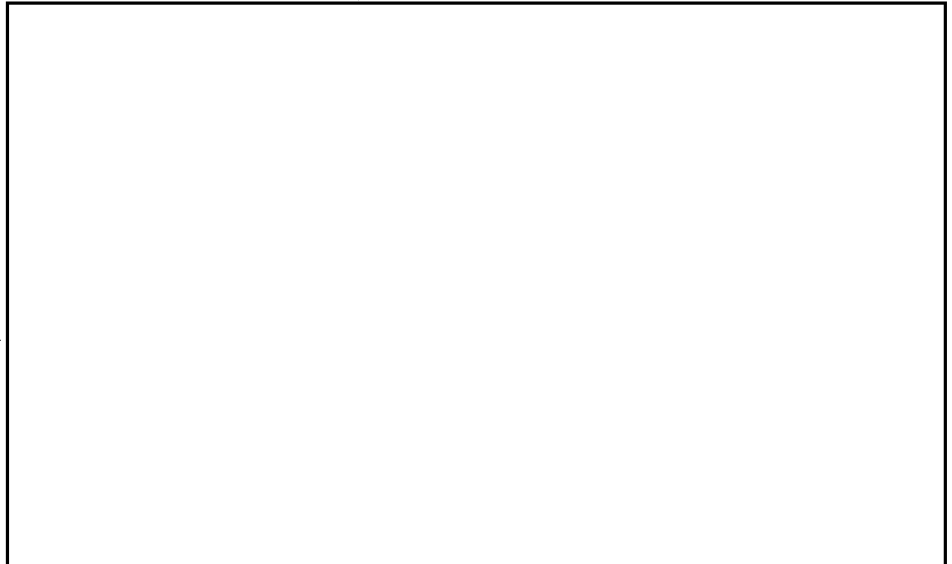
- Every day evidence of past lack adequate cooperation - jurisdictional disputes - withholding data
- Threat increased - detente - increases access to U.S.
  - ° Take advantage Americans by nature open - especially to foreigners
- Need full sharing
  - ° Ready to hand off
- Need outside appraisal of each other
  - ° Differing evaluations of same data
- Bill Webster and I, old friends
  - ° Very bright future for cooperation
  - ° More attention strengthening CI capability in BFI/CIA
  - ° Spillover benefit to FI

(2) Coordination between collection systems

- Today must integrate collection effort
  - 1) expensive, risky
  - 2) only by dovetailing - all clues available - puzzles

- Too many independent cowboys
- Each think could do whole job

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- Assure instances not have mechanism -

1) Trade off

2) Coordinate

Analysts/U&S - go to agency - but

NITC

Talking NATIONAL

(3) Cooperation between National and Tactical Collection

Systems - NFIP

- No reason for rivalry, yet exists. Everyone focuses on who is going to control - issue is what service can be provided? to whom?
- Mil commander's penchant for control all elements -  
Navy - Sailing ships - COD
- Military commanders must learn to live w/o full control

- ° Do with COMMS
- ° Do with NUCS
- ° Do with logistics
- ° Do with air support

So with intell., too

Some - controlled by CDR

Some - controlled nationally

- time to stop trying to cut a fine line between the two

- ° Concentrate cross sharing - both directions
- ... little tac not of nat value

e.g., currently working direction increasing appreciation field units for capabilities, limitations, and product of national systems;

- ° Find ways let field cdrs task national systems directly
- ° Cope with large output of national systems. Need automated processors (tactical commander needs near real-time processing to ID and target). Tasking processing, and analysis functions for intelligence now fragmented geographically and managerially.

- Although national assets exist which can help the field commander, we are behind power curve in making these assets useful to him.

- Not adequately prepared task/derive nat benefit tac systems

(4) Need better coordination of competing analytic efforts - Contrast collection - not striving efficiency ways present divergent views w/o confusing decision-maker.

One of your major concerns during the coming year will be your look at the military balance

- Submit, at time of equipment parity, that balance strongly influenced by such hard-to-measures as intelligence. Can give significant advantage if:

- systems available - are they
- systems can be tapped by those who need to use them - field commander - need to do much more here.

So gentlemen

- While prospects are bright -
  - ° Reorganization
  - ° Heightened interest in Executive and Legislative
  - ° Strengthened internal and external relationships
- Much serious work to be done
  - ° Your contribution in the area of promoting better means of cooperation/coordination within

the IC and externally in your other  
incarnations can be significant.

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